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- and business practice.* (Philadelphia: Modern Textbook Co. 1918. Pp. 258.)
- THOMPSON, E. B. *The silk department.* Department store merchandise manuals, vol. 9. (New York: Ronald. 1918. Pp. xx, 224.)
- TWYFORD, H. B. *Storing; its economic aspects and proper methods.* (New York: Van Nostrand. 1918. Pp. 200. \$3.)
- WANG, C. C. *Legislative regulation of railway finance in England.* (Urbana, Ill.: Univ. Illinois. 1918. Pp. 196. \$1.50.)
- Accounting system for the United States Indian Service.* (Washington: Dept. Interior, Office of Indian Affairs. 1917. Pp. 191.)
- The Merchants' Association of New York. Year book 1918.* (New York: The Association, Woolworth Bldg. 1918. Pp. 288.)
- Public utilities.* (Wellesley Hills, Mass.: Babson Statistical Organization. 1918.)
- The war's effect on copper, silver, railroad and industrial stocks.* (Boston: G. F. Redmond & Co. 1918. Wall chart 6 by 2 ft.)
- The 100 best investments.* (London: British, Foreign & Colonial Corporation, Ltd. 1918. 1s.)

Labor and Labor Organizations

Profit Sharing. Its Principles and Practice. A Collaboration by ARTHUR W. BURRITT, HENRY S. DENNISON, EDWIN F. GAY, RALPH E. HEILMAN, and HENRY P. KENDALL. (New York: Harper and Brothers. 1918. Pp. x, 328. \$2.50.)

In arriving at their conclusions in regard to profit sharing, the authors state that a critical study and analysis of the methods of a large number of employers have been made, that a considerable number of plants having profit-sharing schemes have been investigated at first hand, that large correspondence has been carried on, and that many employers and employees have been interviewed.

The collaborators have convinced themselves that under right conditions the participation of employees in the profits of a business will stimulate effort and increase personal efficiency, especially of members of the managerial groups and salaried workers in posts of responsibility; that profit sharing promotes organization fitness; tends to increase the permanence of a business by increasing continuance of high grade management, thus developing and maintaining the quality fact in the labor force which in turn protects the reward upon invested capital; that, though not the most important, profit sharing is nevertheless a helpful means

of reducing the labor turnover by securing permanence of service; that when carefully guarded so as not to limit freedom of occupational choice, which is a chief goal of society, profit sharing is an important agency for the promotion of industrial peace.

The task undertaken is an ambitious one, the method and purpose most promising, and it is a marked achievement in economic and business literature that the five authors are in substantial agreement as to their conclusions.

The analysis has been essentially confined to the discussion of fundamental principles and methods of applying the profit-sharing principle, leaving to each business, in the light of its own needs, the working out of all such details as the amounts of profits to be decided, the groups eligible to share in profits, what the basis of payment shall be, whether the scheme shall be a general, departmental, or unit payment plan, frequency of distributing profits, whether payment shall be in cash or stock, etc.; and has relied upon the valuable American and British government documents on the same subject to furnish detailed statistical matter.

The authors have clearly recognized the vital relations between profit sharing and other crucial aspects of functional, personnel administration. They wisely stress the fact that profit sharing cannot do many important things. It cannot, for example, be a substitute for good management; it cannot successfully establish any self-operating mechanism in business divorced from the necessary high qualities of personality which constitute the successful business administrator—constructive imagination, enlightened judgment, true courage, inspiring energy, enthusiasm, sincerity, loyalty, a genuine spirit of coöperation, a lofty conscience.

A thoroughgoing audit of corporation management is needed before profit sharing can be wisely introduced. It is an unwholesome business procedure to add profit sharing to a business where basic standards of wages and working conditions are not maintained, where workers have not been carefully selected and adapted to their tasks, where job and organization instruction and training are inadequate or lacking, hours of work too long, systems of transfer and promotion undeveloped, and where no open channels for the expression of grievances exist.

Since too often employers have definitely regarded profit sharing as a substitute for an adequate wage, the authors have been wise in calling attention to the fact that they have considered profit sharing upon the assumption of the continued existence of

our present economic system and its wage payment methods, and that profit sharing must be regarded as merely having a rightful place within the wage system, in no sense a substitute for it.

A definite contribution to a more wholesome solution of the problem of incentives and rewards, which is now so generally occupying the attention of the business world, is expressed in the following paragraph, (p. 74): "The outstanding fact tacitly recognized in all these plans is that long service is something that the employer is not entitled to expect in return for the regular market wage. It is something of special value over and above the day's work and to obtain it the employer expects to make an exceptional payment for it."

A fundamental criticism of profit sharing raises grave questions now confronting the business world. The reviewer would like to stress the following: How can employees have complete confidence in any profit-sharing scheme until they are convinced that manufacturers know their actual cost of production? In announcing that only ten per cent of the manufacturers in the United States know their actual cost of production, the Federal Trade Commission gave students of profit sharing and economic justice something to think about. Here is a vital problem involving the analysis and just apportionment of overhead expenses which leads to fundamental questions of economic and social justice. Idle workmen are not paid wages. Why should capital invested in idle machinery be remunerated? Profit is very materially influenced by the overhead. The cost of *maintaining* an organization is a complicated matter. Overhead expenses often involve the largest waste in production. Too frequently these wastes result from faulty organization—lack of foresight in purchasing material, defective routing, antiquated or idle machinery, inefficient maintenance, delays due to the lack of clear or duplicated instructions from the office or department heads, etc. Are these not matters vitally affecting profits and is it not the right of profit sharers to know all about them?

Further, must not the facts for an intelligent understanding of any incentive or payment plan comprehend a true knowledge of the state of demand for the product, the wages in the community and in the industry under consideration, the amount and standards of output, the cost of living, the hazards of the job, the amount of previous education necessary for the work, the amount of continued instruction necessary to carry on the work with cumula-

tive efficiency, the amount of waste involved, the length of service, the regularity of attendance, the possibilities of promotion, the actual profits of the business, the methods employed of providing for plant extension, depreciation, reserves, disposition of surplus, and the company policy as to minimum and maximum salaries in the organization? And must not all this vital data be jointly collected, appraised, and agreed to, before we can hope to have any very satisfactory or widely accepted profit-sharing schemes? Genuine profit-sharing plans must embody guarantees of their terms in writing clearly understood by all before they are undertaken. There must be full knowledge and publicity of accounts—at least easy access to the books by outside accountants. There must be a fixed rate of dividends and an agreed upon ratio of basic pay for head and hand workers; the setting forth of a statement of the complete terms upon which a business is conducted, the amount of profits set aside, the rate of dividend, the rate to be written off for depreciation, and a clear agreement in advance that the employer will, if there is a profit, divide it with the employees on such and such an agreed basis.

Although not called upon to treat the problems of management sharing in any detail, our authors clearly recognize, in their illuminating chapter on Profit Sharing to Promote the Spirit of Cooperation, the close interrelations between profit sharing and some well worked out plan of group participation and functional management. Especially is this true if profit sharing is to be a real help in developing coöperation in the managerial groups. This chapter is a real contribution to the much discussed problem of a joint administrative control now agitating the business world.

As indicated on pages 156-157 the authors further recognize the clear relations between profit sharing and management sharing, but they do not bring out the vital fact that in order to secure the complete confidence of employees in profit-sharing schemes the workers must share in their administration. Joint control over the many complicated phases of personnel administration bristles with difficulties, but this is no reason for dodging the issue; and the trite saying, so common among employers, that employees are not prepared for or in any considerable numbers desirous of assuming the burdens of management sharing, does not reflect a constructive attitude of mind. Until employees have a share in the administration of those problems directly affecting their own personal welfare, are employers justified in asking their workers to share losses?

In opening up the important question as to what extent should a company introducing profit sharing provide for giving to its employees the facts regarding financial operations, such as investments, earnings, total or departmental profits, the only answer satisfactory to the reviewer is, to the fullest extent necessary to enlighten and convince the employees what all the vital facts are that directly or indirectly influence profits. Such enlightenment and conviction can come only as a result of the employees having had a share in the collection, evaluation, and publicity of the essential facts.

The questions raised are in no way intended as an adverse criticism of the book under review. The work is unquestionably trustworthy in all vital particulars. Its constructive criticism of a method of income distribution—its philosophy, interpretation, limitations—is at a time like this, when employers are clamoring for help, most salutary. The book is a wholesome model of what constructive propaganda among employers should be.

HENRY C. METCALF.

NEW BOOKS

- BENTINCK, H. *Industrial fatigue and the relation between hours of work and output, with a memorandum on sickness.* (London: King. 1918. Pp. 43. 6d.)
- COLE, G. D. H. *An introduction to trade unionism.* (London: Allen & Unwin. 1918. 2s. 8d.)
- COLE, G. D. H. *Labour in the commonwealth.* (London: Headley Bros. 1918. 5s. 6d.)
- COLE, G. D. H. and MELLAR, W. *The meaning of industrial freedom.* (London: Allen and Unwin. 1918. Pp. 46. 1s.)
- COLE, G. D. H. *The payment of wages. A study in payment by results under the wage-system.* (London: Allen & Unwin. 1918. 6s.)
- COLLIER, D. J. *The girl in industry.* (London: G. Bell & Sons. 1918. Pp. 56. 9d.)
- CROSS, I. B. *Collective bargaining and trade agreements in the brewery, metal, teaming and building trades of San Francisco, California.* University of California publications in economics, vol. 4. (Berkeley: Univ. California Press. 1918. Pp. 233-364. 30c.)

This monograph is largely the result of investigations made by the author for the United States Commission on Industrial Relations. Its publication is another evidence that the niggardliness of

Congress has not prevented the presentation of the most useful parts of the commission's work.

Professor Cross deals comparatively little with the historical development of collective bargaining and trade agreements in San Francisco. Most of his material is concerned with the unions, the employers' associations, and the conditions of employment as they obtained in 1915. Discussing the first three trades named in the title, the author outlines the different items covered by agreements, such as those relating to wages, hours, the closed shop, the union label, the restriction of output, and conciliation and arbitration. This enumeration, however, is not found necessary for the building trades for the reason that the building trades unions, generally speaking, had not developed the agreement type of mind by 1915 but preferred to force their terms upon employers without waiting for conferences or formal understandings. In contrast to the building trades it is pointed out that the brewery workmen, who were organized fully as well as the former, willingly entered into contracts with the employing interests. The best example of collective bargaining in the city appeared to be represented in the metal trades where the opposing parties were fairly equal in strength, thus making it impossible for one side to dictate terms to the other. In the teaming trades the degree with which collective bargaining was carried on with success varied with the different types of teamsters and their employers.

The main conclusion of the study is that collective bargaining down to 1915 had been a success in San Francisco and that the policy of trade agreements should be upheld generally. This conclusion and other minor ones, however, the author has not supported by analysis and argument as fully as he might have done. The best feature of the monograph is its presentation of the actual terms of agreement obtaining in typical trades in a strong closed-shop center. Such data as this will be of assistance some day when a comprehensive treatise is prepared on collective bargaining in America.

A directory of the San Francisco unions affiliated with the labor council of that city, a schedule of wages and hours prevailing in the city for May, 1915, a brief note on the local settlement of jurisdictional disputes, and copies of three local agreements are given in appendices.

FRANK T. STOCKTON.

EARNSHAW-COOPER, W. *British industries after the war. I. The hand industry.* (London: Central Committee for National Patriotic Organizations, 62 Charing Cross. 1918. Pp. 52. 3d.)

GRANT, P. S. *Fair play for the workers; some sides of their maladjustment and the causes.* (New York: Moffat, Yard. 1918. Pp. 368. \$1.60.)

HARRIS, L. I. and SWARTZ, N. *The cost of clean clothes in terms of health.* (New York: Department of Health. 1918. Pp. 96.)

Dr. Harris represents the Department of Health of New York City and Miss Swartz is executive secretary of the Consumers'

League of New York. They were assisted by nine investigators. The study describes the conditions of work in laundries: hours, wages, working force, and relation of work to health. Wherever possible the data are summarized in statistical tables. Need is shown for minimum wage legislation in this industry.

HART, H. *Fluctuations in unemployment in cities of the United States, 1902-1917*. Studies from the Helen S. Trownstine Foundation, vol. 1, no. 2. (Cincinnati: The Foundation, Neave Bldg. 1918. Pp. 59. 25c.)

The object of this investigation is to determine how much unemployment there has been in occupations other than agricultural in the United States in recent years; the unemployment situation at the close of the war; and the value of remedies proposed for unemployment. Table 1 shows the estimated number of millions of unemployed workers by months, 1902-1917. The largest number unemployed, according to this, was found in January, 1915, numbering six and one half million. The method of arriving at the estimates was to ascertain for each year and month the total number of persons normally occupied in non-agricultural pursuits and to subtract from these "normal supply" figures the estimated "connected demand" for labor consisting of the total number of persons unemployed in non-agricultural pursuits. The "connected" demand was determined by a synthesis of widely scattered information of employment fluctuations. The author does not describe the particular method but in this connection adds, "those who are interested in the details of the statistical method used are invited to address inquiries." Interesting and original diagrams illustrate the results of the statistical investigations.

HENDERSCHOTT, F. C. and WEAKLY, E. *The employment department and employee relations*. (Chicago: LaSalle Exten. Univ. 1918.)

HENDERSON, A. *The aims of labour*. (New York: Huebsch. 1918. Pp. 108.)

HENDERSON, A. *The league of nations and labour*. (London: Oxford Univ. Press. 1918. Pp. 13. 3d.)

HUTCHINS, B. L. *Women in industry after the war*. Social reconstruction pamphlets, no. III. (London: Athenaeum Literature Dept. 1918. Pp. 28.)

KING, W. I. M. *Industry and humanity. A study in the principles underlying industrial reconstruction*. (Boston: Houghton Mifflin. 1918. Pp. xx, 567. \$3.)

To be reviewed.

KNOEPPPEL, C. E. *Women in industry. An address based on answers to 1,000 questionnaires on women in industry*. (New York: C. E. Knoeppel & Co., 101 Park Ave. 1918. Pp. 123.)

LEE, F. S. *The human machine and industrial efficiency*. (New York: Longmans. 1918. Pp. 119. \$1.10.)

To be reviewed.

LÉMONON, E. *L'après-guerre et la main-d'oeuvre italienne en France.* (Paris: Alcan. 1918. 2 fr.)

MANN, A. *Women workers in factories.* (Cincinnati: Consumers' League of Cincinnati. 1918. Pp. 45.)

MAROT, H. *Creative impulse in industry.* (New York: Dutton. 1918. Pp. xxii, 146. \$1.50.)

To be reviewed.

MILLS, F. *Labour and economics.* (London: F. Matthews. 1918. Pp. 23. 1s.)

PHILLIPS, M., editor. *Women and the labour party.* By various women writers. (New York: Huebsch. 1918. Pp. 110. 50c.)

The papers included are: The women trade unionists' point of view, by Mary R. Macarthur; The claims of mothers and children, by Margaret L. Davies; The nursery of to-morrow, by Margaret McMillan; The end of the poor law, by Beatrice Webb; Women as brainworkers, by Rebecca West; Women as domestic workers, by Margaret G. Bondfield; The working woman's house, by A. D. S. Furniss; The labour woman's battle with dirt, by Katharine B. Glasier; The woman wage earner, by A. S. Lawrence; and Women and internationalism, by Mary Longman.

RENOLD, C. G. *Workshop committees.* (New York: Survey Associates. 1918.)

A summary of a memorandum prepared for the British Association. Deals with the objects of such committees and types of organization.

ROCKEFELLER, J. D., JR. *Brotherhood of men and nations.* (New York: The author, 26 Broadway. 1918.)

Reprint of an address delivered before the Civic and Commercial Club of Denver, Colorado, June 13, 1918; describes in part the plan of industrial representation which has been established in the Colorado Fuel and Iron Company.

SLICHTER, S. H. *The turnover of factory labor.* (New York: Appleton. 1918.)

TEAD, O. *Instincts in industry. A study of working-class psychology.* (Boston: Houghton Mifflin. 1918. Pp. xv, 221. \$1.40.)

TRENT, R. S. *Women in industry.* Bulletin of the Extension Division, Indiana University, vol. III, no. 7. (Bloomington, Ind.: The University. 1918. Pp. 59.)

WATSON, C. H. *The employer, the wage earner, and the law of love.* Hattie Elizabeth Lewis Memorial essays in applied christianity. (Lawrence, Kans.: Univ. Kansas. 1918. Pp. 31.)

WEST, R. *Women and the Labour party.* (New York: Huebsch. 1918.)

WOEHLKE, W. V. *Union labor in peace and war.* (San Francisco: Sunset Pub. Co. 1918. Pp. vii, 141.)

- Arbitration and wage-fixing in Australia.* Research report no. 10. (Boston: National Industrial Conference Board. Oct., 1918. Pp. 51. \$1.)
- Control of diseases in establishments for the manufacture and loading of high explosives.* Reprints from the Public Health Reports. (Washington: Supt. Docs. 1918.)
- The eight-hour day defined.* Research report no. 11. (Boston: National Industrial Conference Board. Dec., 1918. Pp. 11. 50c.)
- Hiring and firing. Suggestions for employers.* Industrial service bulletin no. 1. (New York: Metropolitan Life Ins. Co. 1918. Pp. 48.)
- An investigation of the factors concerned in the causation of industrial accidents.* Health of munition workers, memorandum no. 21. (London: Ministry of Munitions of War, Welfare and Health Section, 8 Northumberland St. 1918. Pp. 46.)
- Labor problems under war conditions; complete report of the proceedings of the national conference held under the auspices of the Western Efficiency Society and the Society of Industrial Engineers, Chicago, March 27-29, 1918.* (Chicago: G. C. Dent, Secretary, 327 S. LaSalle St. 1918. Pp. 222. \$1.50.)
- Labour legislation in Canada as existing December 31, 1915.* (Ottawa: Dept. of Labour. 1918. Pp. 740.)
- List of organizations affiliated with the American Federation of Labor, national and international, department, state, central and local.* (Washington: The Federation. 1918. Pp. 66.)
- Proceedings of the sixth annual convention of the Louisiana State Federation of Labor held at Alexandria, Louisiana, April 1-3, 1918.* (Shreveport, La.: E. H. Zwally, Secretary. 1918. Pp. 61.)
- A questionnaire digest on methods of wage payment.* (Chicago: Western Efficiency Society, 327 S. LaSalle St. 1918. Pp. 52.)
- A report of the causes of wastage of labour in factories employing women.* Medical Research Committee, National Health Insurance, Special Report series no. 16. (London: Wyman. 1918. 1s. 6d.)
- "The collected facts show that the general strain of factory life is not borne worse by elder than by younger women, but that when the general wear and tear of factory conditions is combined with physical labor of more than a light or medium degree women over 23 years of age cannot as a whole stand the strain so well as their juniors." In the analysis advanced statistical methods are used.
- Report of enquiry made by the Ministry of Labour on the origin, constitution, procedure, and functions of works committees.* (London: King. 1918. 6d.)
- Report of the nineteenth annual general council meeting of the General Federation of Trade Unions, July 4-5, 1918.* (London: The Federation. 1918. Pp. 47.)

Report of the railroad wage commission to the director general of railroads, April 30, 1918. (Washington: Railroad Wage Commission. 1918. Pp. 156.)

The state and industry during the war and after. Reorganization of industry series, IV. (Oxford, Eng.: Ruskin College. 1918. Pp. 84.)

Training and employment in the printing trades. (London: London County Council. 1917. Pp. 49. 1s.)

The Western Union and the War Labor Board. The company's position. (New York: Western Union Tel. Co. 1918. Pp. 40.)

Women workers in the Philadelphia Naval Aircraft Factory. Women in war industries series, no. 4. (Washington: Committee on Women in Industry of the Council of National Defense. Oct., 1918. Pp. 47.)

Money, Prices, Credit, and Banking

Capital Today. A Study of Recent Economic Development. By HERMAN CAHN. Second edition, revised and enlarged. (New York: G. P. Putnam's Sons. 1918. Pp. xii, 376. \$2.00.)

The first edition of this book appeared in 1915. Since that time many important and startling economic changes have taken place. These changes necessitated a complete revision. The most emphatic change is in the chapter entitled Money of Account, which has been entirely rewritten and largely expanded. Bank credit money has taken on new significance in the last three years in practically all the important commercial countries of the world. Loans and discounts and note issues have been increasing much faster than deposits and reserves and this fact apparently gives new and cumulative evidence of the main conclusion of the book; namely, that the present capitalistic structure would eventually fall down of its own weight. Because of the great expansion of fictitious capital due to the existence of an enormous increase of bank credit money the social solvency will be seriously endangered. The time is not far distant when people will call for the redemption of money in terms of actual values and when that time comes capitalism will be doomed.

The main hypotheses of the book are socialistic. Emphasis is placed not so much on production as upon the mechanism of exchange. Before the era of capital concentration, which has been the result of the last fifty years of economic development, the formula of the economic cycle was "commodity-money-commodity"; now the formula is "money-commodity-money." The earlier